

The 6 KEYS to Successfully Planning Your Estate



By

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Inside This Report, You'll Find:

- An Outline of the 6 KEY Steps to SUCCESSFULLY Planning an Estate
- A List of VITAL Information to Gather BEFORE Meeting With an Estate Planner
- Some CRITICAL Advice on Selecting a Good Attorney to Help With Estate Planning

Many people hire us to help plan their estate so their heirs avoid probate. Many times it is because they are currently feeling, or have recently felt, the uncomfortable effects of a loved one's estate being pushed through the meat grinder of the probate court. Delays of almost a year, or two years... *or more*. Thousands upon thousands of dollars going to attorney fees. Scrambling to find receipts that are months old, arguments over estate expenses, and now the family nerves are frayed, so the fights are *just starting*. And there seems to be no end in sight.

Eventually probate does end. But the experience will lead many to wonder whether it could have been avoided in the first place.

It was this wondering that led me to work in the field of Revocable Living Trust planning. About a week and a half before heading to law school, my grandfather lost his battle with cancer and passed on. Now, I have to mention that my grandparents were special. I know, all grandparents are special, but mine really went above and beyond. My mom died when I was nine, and without a second thought, with no debate or hesitation, they dropped everything and moved in to help raise me and my sister. And now my grandmother had just lost her husband of more than fifty years, and I wanted to help her.



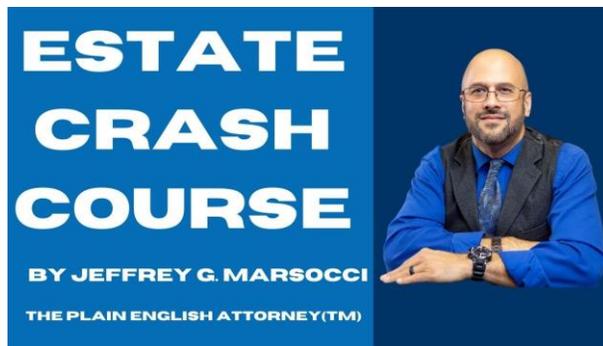
My grandmother, being the proud grandmother she was, let me have one day for orientation before calling and asking me legal questions. She figured that I had walked through the front doors of the law school and had all of the legal knowledge in the world dumped into me, and suddenly I was F. Lee Bailey. Well, it didn't quite work like that, but I learned very quickly there was one most common answer any first year law student will give to any legal question they are asked. Doesn't matter what the question is, it is always the same answer: "I don't know, let me look it up in the law library."

Now as much as I tried to help, I was still just learning. And it was SO frustrating to me that I couldn't help her right away. Unfortunately, the estate troubles lasted well into my second year of law school, and I started to learn more and was able to help. (And she always wanted to call me because any time she talked to her attorney she got a bill.) But those first few months of not having answers were so frustrating to me. I felt helpless because I couldn't help my grandmother who had done so much to help me.

But as the months dragged on into more than a year, I started saying to myself "It can't have to be this way. This can't have to happen every time someone passes on." It turns out it didn't have to be that way. It was then that I started researching Revocable Living Trusts and found out that probate could largely be avoided. In conducting my research, I had the good fortune to read *The Living Trust* by

Henry W. Abts, III, and it was then that I decided that I wanted Revocable Living Trusts to be a part of my law practice when I got out of school. Almost 20 years later, it is actually the main part of my law practice.

I used to recommend that my clients and prospective clients read *The Living Trust* because I had found it a good, easy read. Well, for a law student almost 400 pages of legal concepts explained in relatively plain English was considered light reading, but people looked at the book and told me it was simply too much for them.



And that is why I have spent many years now writing books on different topics related to estate planning, including my own significantly shorter, The Plain English Attorney™ Series book *Estate Planning Basics* available on [Amazon.com](https://www.amazon.com),

and now my online video education system *The Estate Planning Crash Course* available at www.EstateCrashCourse.com. While I am always happy to receive publishing royalty checks, it really is more about one of the six Keys, which is gathering basic information.

Now, I'll admit there *is* a lot of conflicting and confusing information out there, and there is actually a bit of self-interest for some attorneys to recommend certain courses of action over others. ESPECIALLY when the attorneys say "probate is not a big deal." That's why I created *The 6 KEYS to Successfully Planning Your Estate*. It is simply to highlight a process to save time, save money, and avoid the big mistakes many people make so *you* won't make them.

We also have a lot of useful information online through my “clearinghouse” educational website at www.PlainEnglishAttorney.com, the basic estate planning education system at www.EstateCrashCourse.com, and my law office website www.LivingTrustLawFirm.com.

I know your time is important, so I’ll jump right into things. I hope you find this information valuable in planning for your loved ones.

Warm Regards,

Jeffrey G. Marsocci, Esq.
The Plain English Attorney™

There are six basic estate planning steps that everyone needs to know before putting their plan into action, but few will take the steps to learn about planning or actually successfully follow through with their own plan. The planning itself should not be difficult if you have the right attorney and/or estate planner who can speak to you in Plain English. But, while the attorney can provide legal advice and information, when it comes down to it, the Estate Plan has to be YOURS. And the less time the attorney has to spend and the less education the attorney has to provide on basic issues often translates into savings on legal bills.

The Six Keys to Successfully Planning Your Estate:

Here is a list of the Six Keys, and then we will proceed to reviewing them one at a time:

- 1) Commit to Estate Planning Being a Process
- 2) Gather Information
- 3) Establish Goals
- 4) Get Organized
- 5) Do Your Own Research
- 6) Locate the Right Estate Planner for You

Key One: Commit to Estate Planning Being a Process.

One of the most common misconceptions about Estate Planning is thinking that it is “purchasing documents” from an attorney as opposed to thinking about the legal documents being tools the attorney uses in the estate planning process to achieve the goals you set out. This attitude is most apparent when people call our law office (and others) asking “How much do you charge for a Will?” or something similar. It’s often clear that they are merely price shopping, and the skill of the attorney doesn’t matter to them. This can often lead to disastrous results when attorneys “dabble” in estate planning, mainly because even the attorney won’t know when a mistake occurs until a crisis pops up and it’s too late to make a correction.

Imagine a person diagnosing a health condition themselves through online research, and then price shopping doctors' offices by asking "how much do you charge for a surgical knife? I need to remove a gall bladder." First, removing a gall bladder may or may not be the right procedure, but until you are actually examined by a doctor, that is not necessarily the right course of action. Second, making it about the surgical knife instead of the whole medical process is minimizing a more complex procedure down to one of many tools meant to accomplish a goal of getting someone healthy again. Finally, the knife itself means absolutely nothing if it is not handled by a trained professional who understands your goals and all of the ramifications around removing a gall bladder, if that is even the right operation in the first place.

My law firm does offer flat rate pricing for estate planning, but we will discuss those prices and options only AFTER a strategy session with the client(s), and to even get into the estate strategy session with an attorney they need to read my book [Estate Planning Basics](#) or successfully complete [The Estate Crash Course](#) and return a completed questionnaire two days before the meeting. We DO NOT have a list of legal documents with corresponding prices for people to choose from like a fast-food menu. And you should be thorough in researching attorneys who quote prices for documents or post them on their website.

Key Two: Gather Information

There is critical information that an estate planner needs in order to formulate a good strategy, identify and customize the tools needed, and then following through to execute and implement the plan. Often this is very basic information, and, especially when it comes to financial assets, good value estimates are probably enough to get started. When our clients meet with us for an estate strategy session, one of the requirements is that our office receives a completed Pre-Appointment Questionnaire, and that form gathers more than enough information. (I go into more detail on collating this information in Key Four, and filling out our questionnaire has its own module in [The Estate Crash Course](#)). The last thing anyone wants is to spend a few hours paying an attorney \$300-\$500 an hour to ask about names, dates of birth, and approximate real estate values while they fill out a form. Not when it can be completed ahead of time so the Estate Strategy Session is about establishing goals and discussing options.

Here are the main types of information most estate planners are looking for ahead of time:

- Basic contact and personal information, such full names, dates and places of birth (for you and children), as well as address and other contact information. These specifics are needed generally not only for completing potential legal documents or making other recommendations, but also for contact in the future should different needs arise. For example, my firm specifically gets email address information for appointment confirmation emails and to ensure that clients are put on the firm's e-newsletter list, which is where important changes to taxes and the law would be communicated.

- Basic financial information, such as total account balances for different types of financial assets, collective real estate values, accumulated tax-deferred account amounts, and other financial areas. While we often need more detailed information to actually complete most estate plans, in the first meeting we really only look for totals. While other estate planners may request more details or different types of financial information, we are really only looking for three different critical areas:
 1. Are the collective assets enough that we have to worry about federal or state estate taxes?
 2. Is the amount in tax-deferred retirement accounts going to cause an inherited income tax problem for the beneficiaries that we should address ahead of time?
 3. Is there a lot of money tied up in “hard assets” like real estate and very little in liquid assets like cash, stocks, and bonds to the point that we need to discuss diversification or life insurance to make sure real estate doesn’t have to go through a “fire sale” to pay off final expenses?

Other than those areas, my firm doesn’t dig too much deeper in the first meeting, but those are important areas that would impact a client’s estate plan if not accounted for at the outset.

- Goal information, such as generally rating certain outcomes in terms of importance. For example, how important is it to avoid probate as part of your estate plan? Or is it more important that a court supervises the distribution of your estate even if it makes things more expensive? This is more of a thinking exercise than anything, and it’s OK to not solidly know what your goals are. But at least you are thinking about these things ahead of time, and it becomes something to address with the attorney. And now the third Key is all about these goals.

Key Three: Establish Goals

Once you have gathered basic personal and asset information, it is now time to look more concretely at what you want to accomplish with estate planning. Now, let me be clear... enacting a Last Will and Testament, Powers of Attorney, or a Revocable Living Trust are not goals. Those are documents. Those are tools. Those are only things that express an estate plan that needs to accomplish the actual goals you set.

Let me give you an example in another area of life. If you have time off and need a vacation, is your goal to have a plane ticket? No. The goal is to go somewhere to do the things you want to do, and the plane ticket is only one piece in getting you what you want. Where and when does the plane need to take you there and back? What about hotel reservations? What kind of room do you want? What kinds of tours or places do you want to visit when you are there? All of those are details, and all of those require reservations or tickets or both. But the goal is to have your particular type of vacation, and the goal is not to have a generic plane ticket.

What are some of the most common goals I hear about from my clients?

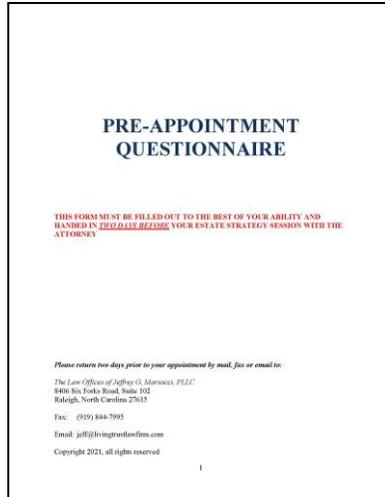
- Having their estate avoid probate when they pass on
- Avoiding taxes as much as possible
- Protecting inheritances going to beneficiaries from potentially divorcing spouses, lawsuits, or creditors
- Protecting an inheritance for a special needs beneficiary so they don't lose Medicaid, disability, or other benefits but still have the benefit of the inheritance.
- Disinheriting specific people, including possibly children
- Protecting an inheritance for two generations so anything not used by the children must go to the grandchildren
- ... and the number one goal for my clients sounds esoteric, but it is "having peace of mind that everything is set up the right way" and they don't need to worry anymore.

These are just some starting points for considering your own goals. What is important to you is not necessarily what is important to other people. A colleague of mine told me the story of a widow with two ungrateful children who didn't even call for six weeks after having major surgery even though they knew about it. The widow recovered, gave a diligent niece a sum of money, gave the neighbors who helped her out during her recovery a sum of money, and then left about \$2 million to the Internal Revenue Service "because I expect they would do better things with my money than my children ever would" or something to that effect. Clearly, her main goal wasn't to only disinherit her two children, but to do it in a way that stung them for the neglect they showed her during a health crisis. But that's *her* goal. What are your goals?

Key Four: Get Organized

As I mentioned in Key Two, gathering certain information really helps an estate planner get the process started. However, having all of this information summarized in an easy to understand format is also critical. This doesn't mean you have to use the same questionnaire that my office provides in our Pre-Appointment Packet, and many attorneys will have their own forms. But having something that lists all of the important information I discussed in Key Two will make things much easier.

I have some clients who love spreadsheets. They love them so much that they have every single account, current monthly balance, and even name and address information for the advisor spelled out in the spreadsheet. They also update this spreadsheet when statements are received so it stays current. Having all of this information in one place to reference not only for an attorney but you makes the process go more quickly. This becomes especially important if you are paying an attorney by the hour. Who wants to pay an attorney \$300-\$500 an hour or more while you are looking up information?



The image shows the cover of a "PRE-APPOINTMENT QUESTIONNAIRE" form. The title is centered in blue. Below it, a red instruction reads: "THIS FORM MUST BE FILLED OUT TO THE BEST OF YOUR ABILITY AND HANDLED IN THE OFFICE BEFORE YOUR ESTATE STRATEGY SESSION WITH THE ATTORNEY". At the bottom, contact information for The Law Offices of Jeffrey G. Morones, PLLC is provided, including the address (8400 Six Forks Road, Suite 102, Raleigh, North Carolina 27615), phone number (919) 846-7995, email (jeff@livingtrustandfirm.com), and a copyright notice for 2021.

To make things easier in helping you gather the main information attorneys typically look for, we have attached the same pre-appointment questionnaire that my firm sends our clients before their Estate Strategy Session. There is also more information available in the [Estate Crash Course](#) available at www.estatecrashcourse.com.

Key Five: Thinking More Than One Step Ahead.

They weren't clients of mine, at least not yet. But they were sent to me by a financial advisor for a second look. I'm fortunate to work with some financial advisors who know what to look for when it comes to estate planning, but they also know enough not to try to explain certain things to them because it could be construed as practicing law. That's why they send their clients, and their clients' existing documents, to me when they see something wrong.

As I reviewed the plan, it was apparent why she sent the documents. Only one successor trustee was named. Only one guardian was named. Only one backup health care agent was named. And worst of all, the Trust was done prior to their second child being born, their second child was recently diagnosed with autism, and there were no protective provisions to make sure a disabled beneficiary wouldn't lose disability or other benefits because of the inheritance.



While the birth of a disabled child is rarely planned for beforehand, there is no reason a good Revocable Living Trust would not plan for ANY beneficiary potentially receiving disability or Medicaid so those benefits are not lost because of an inheritance. As an attorney, I always like to have at least three backup people named in documents, and all Trusts should account for disabled beneficiaries, whether they are disabled now or in the future.

So now my job was to explain that the potential clients did a good job by using a Revocable Living Trust rather than a Will for their planning, but their attorney did not do the best job they could getting them the right Revocable Living Trust and only planning one step ahead.

Unfortunately, this happens with attorneys a lot. Particularly when doing estate planning, there is no reason not to plan for a wide array of contingencies and potential pitfalls. We're not talking about adding any costs for the clients to have protective language put in or naming sufficient backups. It is simply a matter of drafting the Revocable Living Trust and other documents in such a way that the protection for disabled beneficiaries is ALWAYS there, whether there is currently a special needs beneficiary or not. It means putting three or more backups in the estate planning documents so if something happens to one or even two of the named people you are still covered.

It really is the job of an estate planning attorney to look more than one or two steps ahead, and to cover hazardous situational loopholes in the documents. Having only one named agent or even one and then a backup is simply being lazy.

Key Six: NOT Doing It Yourself.

With the wide availability of Do-It-Yourself books, it is easy for people to think they can become experts on any subject they read about. The explosion of the Internet and brief YouTube videos has only compounded this belief. While having more truthful and accurate information is good, taking the step of actually being your own doctor, lawyer, accountant, or other professional is going to get minimal results at best and disastrous results at worst.

Fortunately, it was not too late for Tom and Betty Jones (not their real names). Actually, it was Dr. Tom Jones and Dr. Betty Jones, both PhD's in scientific fields. Thankfully, their CPA knew just enough about estate planning to send them to me with copies of their Wills. After taking a few minutes to review the Wills in front of them, I knew it was a do-it-yourself Will, but they had told me the Wills were "from another attorney." So I asked a few questions.

"So, Tom, according to your Will, you don't want Betty to be the first executor of your Will," I said. "It looks like it's your brother named first. Is there a reason you didn't want Betty to be the first executor?"

"No," Betty said, looking shocked at Tom. "I thought I was Tom's first executor."

"Yeah," Tom said. "It was supposed to be Betty first and then my brother. Doesn't the Will say that?"

"No, it doesn't," I said. "OK, let's go to the next thing. It looks like you both have disinherited each other and want to leave everything directly to your children, is that correct?"

"No," Tom said. "It's each other first and THEN the children. Doesn't it say that?"

"Unfortunately, no," I said, pointing to the exact language. "See, right there, the language typically states that everything goes to the spouse first and then if the spouse is deceased then to the children. It looks like your attorney bypassed the spouse in both of your Wills."

"And it looks like you want everything to go to your children at age eighteen," I said, continuing. "That's not very common. Did you intend for that?"



"No!" Betty said. "Our kids are six and eight years old, but I know eighteen is way too young."

"OK," I said, flipping to the last page. "We can talk about that later."

And then I saw it.

"Well, you can just forget about everything I just said because these Wills are not even valid," I said. "You each signed each other's Wills as a witness, the second space for the witness signature is blank, and it is not notarized."

I stopped for a second and sighed. I was pretty sure they tried to do their own Wills themselves, but I had to ask.

"I often have disagreements with other attorneys, but I am always hesitant to say an attorney is flat out wrong because there are often many different paths, different styles, and certainly different reasons for drafting documents a certain way," I said. "But the fact that the attorney didn't even get the signing of the documents correct is egregious enough that I have to report them to the state bar. What is the name of the attorney?"

It was then that they admitted they did the Wills themselves. With that out of the way, we began talking about what they really wanted in their documents and whether a Will or a Revocable Living Trust was best for their situation.

Truthful and accurate information is always a good thing. People need good information to make good decisions. But it becomes easy for people to think they can do something as well as a professional with 20 years of experience, and that is just not true. I've been asked in seminars why they should pay me to help them set up a Revocable Living Trust when they can just download documents from the Internet. My response: "You can buy a surgical scalpel from Amazon.com for \$25, but it doesn't mean you should take out your own appendix."

The fact is there are entire law firms devoted to contesting Wills and other estate planning documents. And they know when they have a Will downloaded from one of the popular "legal help" sites, they are simply zooming in on a winning case. In addition, many of those same sites list attorneys who can help, but they make the most money cleaning up the mess made by the do-it-yourselfer. (Of course, it is never the fault of the document company since they are simply helping the user fill in the blanks without any legal assistance whatsoever.)

As an attorney, I want to put out the best information on estate planning that I can, but as a business owner I learned a long time ago that I shouldn't waste time arguing with people to *convince* them that they shouldn't do their own estate planning documents. They will never be convinced unless they discover the information themselves. The best I can do is let people read about how DIY (or what I call "Disaster-It-Yourself") documents are not the best way to create an estate plan and let people come to their own conclusions.

There are many other pitfalls, and these can be discussed with an estate planning attorney directly. But there is a complete system that usually fits the estate planning needs of most of our clients in avoiding probate. In addition to these Keys, there are also a few helpful bonus sections we wanted to include with this report.

- Red Flag Phrases when selecting an estate planning attorney;
- The "Complete System" documents typically in the estate planning toolbox;
- The Pre-Appointment Questionnaire currently used by my law office.

RED FLAG PHRASES USED BY ESTATE PLANNING ATTORNEYS

Not all attorneys are equal when it comes to everything in the law, and there are two kinds of estate planning attorneys to look out. First, I will be the first to admit I couldn't do even a mediocre job in a divorce, and I would never take on that type of case. However, I know a lot of what I call "Also-Attorneys" with thriving real estate or divorce practices who will *also* do a Will. Next, there are attorneys who have Estate Planning and Administration as their core practice area, but they spend a lot more time doing the lucrative probate work rather than helping their clients plan their estates to avoid the court process. Here are some of the most popular phrases I've heard from other attorneys that should make your ears stand up and cause you to ask follow up questions:

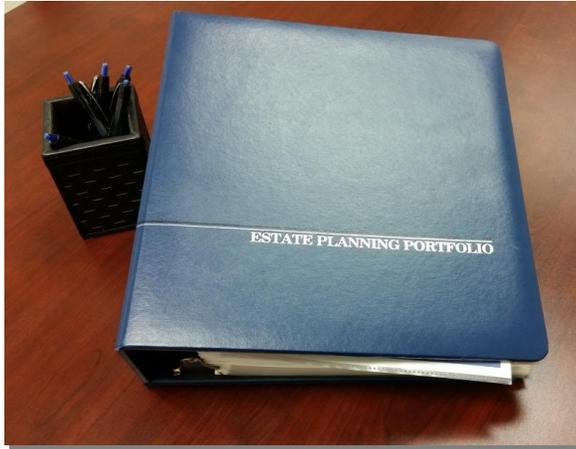
- "Probate fees in our state are not that bad..." Always ask if the attorney is referring to the fees a court charges, or are they also referring to their fees for handling an estate.
- "If you have less than 12 million dollars (or some other number), then you don't need a living trust..." A revocable living trust is primarily a tool to avoid the expenses related to administering an estate. The "X" million dollar number often refers to when an estate is subject to federal or state death taxes. An attorney saying you shouldn't use a method to avoid administrative costs just because your estate isn't taxable would be like a mechanic telling you that you don't need to change the oil in your car because the gas tank is full.
- "A Trust is too complicated for your situation..." Very often, this means the trust is too complicated for this particular attorney to explain to you in plain English. Now, this is distinguishable from a trust isn't *appropriate* for your situation. I have had clients that didn't even need a Will because all she had was a joint bank account with her daughter, whom she was living with. At age 90, she had already given away most of her personal possession, and a trust wouldn't have been appropriate for her.

While this list isn't exhaustive, it should be enough to help you look out for certain things when interviewing estate planning attorneys.

A COMPLETE SYSTEM

While every situation is different, there is a most common legal “toolbox” used to put together an appropriate estate plan. It includes:

- **Revocable Living Trust**: All of the inheritance provisions are in a good Revocable Living Trust, including language to keep the inheritance for a beneficiary protected from lawsuits, creditors, and losing any disability or other benefits if needed, until a chosen age of inheritance. Best of all, the Trust assets will bypass the probate court system.



- **Financial Power of Attorney**: This document legally empowers others to make financial decisions should the person become incapacitated. In the case of a couple, each has their own financial power of attorney, often called a durable general power of attorney. Powers include withdrawing or transferring money from accounts, setting up accounts, signing tax returns, applying for or managing government or employment benefits, and a host of other powers.
- **Health Care Power of Attorney**: Just as with the financial power of attorney, others are empowered to make health care decisions should you not be able to do so yourself. Generally, this is a broad delegation of authority to make any and all health care decisions for you if you are incapacitated.

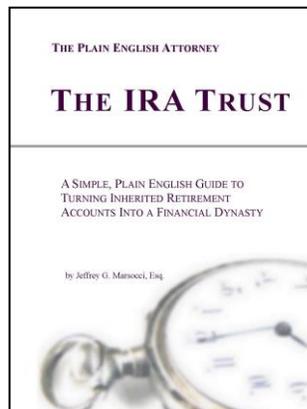
- Living Will: This document is the one exception to the broad delegation of health care decisions to cover the possible end of life decision regarding life support and artificial nutrition and hydration should you be diagnosed as terminal and incurable or in a persistent vegetative state. Many of our clients choose to have a living will because even though they would trust their health care power of attorney agent to make the big decision of removing life support, they may not want to give them the emotional burden of making that decision.
- Nomination of Conservator: Assigns a legal guardian FOR YOU should you ever become incapacitated for such a long period of time that a judge deems it necessary to assign you a legal guardian.
- Appointment of Guardian: Recommends legal guardians for any minor children or disabled adults for which you have guardianship over and you then have either passed on or become incapacitated.
- Last Will and Testament (Pour-Over Will): While technically a full last will and testament, the only beneficiary of the Will is the Revocable Living Trust.

There are also many other documents and “fill-in” forms that we include with a Revocable Living Trust system, but these are really the most important. For a more thorough review of basic estate planning, check out my [Estate Crash Course](http://www.EstateCrashCourse.com) available at www.EstateCrashCourse.com.

THREE ADVANCED TECHNIQUES

While most estate planning clients need the Revocable Trust plan and nothing more, from time to time there are situations that require additional protection. There are three main techniques that we use to provide this protection in three specific situations:

- **IRA Trust:** An IRA Trust is primarily used to inherit tax deferred accounts such as an IRA, 401k, 403b, Keogh Plans and others. The main problems with these accounts are taxation and protection. If a tax-deferred account pays into a Revocable Living Trust upon the death of the account holder, then all of the taxes are due. (There may be a way to spread the taxes out over five years, but it is *essentially* taxed right away.) So what can be done?



One solution to the tax problem is to simply name the beneficiaries directly. They can then set up something called an Inherited IRA that will continue to defer taxes for up to ten years. Those withdrawals are taxed as income. That's much better than a huge tax all at once, and it allows the money remaining in the Inherited IRA to grow tax-deferred over the ten-year period. However great this is for most

beneficiaries, it does go to the beneficiary at age 18, or in some cases 21. This is often not in line with most peoples' estate planning wishes. Another big drawback is if you had three children, named two of the children as pay-on-death beneficiaries of the account and listed the Revocable Living Trust to receive the remaining third for the third child, it means that all three (the two children and the Trust) are unable to set up Inherited IRAs.

So what should be done? An IRA Trust is the solution. If the beneficiary needing protection had their one-third payable to the IRA Trust for their benefit and the other two children were named to receive their thirds directly, then the trustee of the IRA Trust can set up an Inherited IRA as an asset of the Trust, move the money from the deceased parent's IRA into the Inherited IRA, and manage the distributions out of that account. And just because the distributions come out of the Inherited IRA does not mean they have to leave the IRA Trust. Those funds will now profoundly save on income taxes for the beneficiary needing protection over the ten-year period, allow the other two children to likewise save on taxes, and best of all the same protective provisions in the IRA Trust will not jeopardize any possible Medicaid and other benefits, and is immune from lawsuits, bankruptcy, and divorcing spouses.

- **Asset Management Trust**: Often called an “In-Law Protection Trust,” an Asset Management Trust is a way for an individual or a couple to leave their assets to their descendants outside of the probate process *while completely bypassing their children's spouses*.

The most common wishes of our clients are to leave everything to their children, and if a child is deceased then to that child's descendants, meaning the grandchildren. And those provisions are drafted into the Revocable Living Trust. So if a child dies before you die, then your assets filter down to your deceased child's descendants. But what if your child doesn't die before you?

Here's the scenario some of our clients are concerned about: Dad dies leaving everything to Mom through their Revocable Living Trust, and then Mom dies leaving everything to the three children again through the Trust. Everything is distributed three ways within a short period of time. Unfortunately, a few years later the oldest son dies leaving everything to his spouse, including all of the assets he inherited from Mom and Dad. Within a year, that spouse is now remarried and creates an estate plan leaving everything to the new husband. So the real question is: *Are you comfortable leaving an inheritance to your son-in-law's or daughter-in-law's second spouse and their children, and not your grandchildren?*



Asset Management Trusts will take care of that possibility in this case by having assets go from the Revocable Living Trust to an Asset Management Trust for each child. The son's Asset Management Trust holds the

inheritance from Mom and Dad, and the trustee can use it to support the son. If the son wants a new, bigger house, the Asset Management Trust can buy the house and own it, but let the son and his family live in it. Then whatever assets are left in the Asset Management Trust when son dies does NOT go to the son's spouse, but instead must go to the son's children.

Some other important features of the Asset Management Trust are that the Asset Management Trust is immune from lawsuits, bankruptcy, divorcing spouses, and disqualification from disability or Medicaid. Because the IRA Trust offers the exact same protections but with tax deferral features as well, we often set up a Revocable Living Trust for an individual or couple and then an IRA Trust and an Asset Management Trust for each child. In these cases, we often have siblings be in the list of successor trustees so that brothers and sisters are looking out for each other during times of health or financial crisis through these Trusts.

- **Irrevocable Life Insurance Trust:** A previously popular estate planning technique was to set up an Irrevocable Trust, transferring enough money to start a life insurance policy, have the Trust establish and own the policy, and then have the Trust be the beneficiary of the life insurance. The main reason to handle the life insurance this way is it makes all of the life insurance proceeds exempt from estate taxation.

Well, that's fantastic! So why is it a "previously popular" technique and not just *popular*? It is because the federal estate tax limit is now more than \$11 million per person. That means that as long as the deceased person's estate is less than the \$11 million plus amount, then there are no federal estate taxes. In many states, the estate tax limits are just as high, but some states are considerably less for the state level estate tax. In those low-limit states, Irrevocable Life Insurance Trusts still make sense. In my own state of North Carolina, there is no state level estate tax, so unless there is a possibility that an estate will exceed the federal limit, then there is no reason to use an Irrevocable Life Insurance Trust.

We hope this report provides you with some initial and important information. If you want to get a more in-depth overview of estate planning basics that is still easy to understand, then check out our Estate Crash Course at www.EstateCrashCourse.com as well as finding links to more specific courses through www.PlainEnglishAttorney.com.

PRE-APPOINTMENT QUESTIONNAIRE

**THIS FORM MUST BE FILLED OUT TO THE BEST OF YOUR ABILITY AND
HANDED IN TWO DAYS BEFORE YOUR ESTATE STRATEGY SESSION WITH THE
ATTORNEY**

Please return two days prior to your appointment by mail, fax or email to:

The Law Offices of Jeffrey G. Marsocci, PLLC
8406 Six Forks Road, Suite 102
Raleigh, North Carolina 27615

Fax: (919) 844-7995

Email: jeff@livingtrustlawfirm.com

PERSONAL INFORMATION

Date: _____

Client One - First Name/MI/Last Name : _____

US Citizen: Yes ___ No ___ If No, please list status: _____

Married: Yes ___ No ___ Gender: Male ___ Female ___

*Social Security No. : _____

Birth Date: ____/____/____ Birthplace: _____

How is Your General Health? (on a scale of 1-5, 5 being best) 1 2 3 4 5

Street Address: _____

City/State/Zip: _____ County: _____

Home Phone: _____ Work Phone: _____

Cell Phone: _____ E-mail Address: _____

*Father's name: _____

*Mother's name (Use Maiden Name): _____

Client Two – (Spouse/Partner):

First/MI/Last Name: _____

US Citizen: Yes ___ No ___ If No, please list status: _____

Married: Yes ___ No ___ Gender: Male ___ Female ___

*Social Security No. : _____

Marriage Date: _____ Marriage Place: _____

Birth Date: ____/____/____ Birthplace: _____

How is Your General Health? (on a scale of 1-5, 5 being best) 1 2 3 4 5

Address if different from above: _____

Home Phone: _____ Work Phone: _____

Cell Phone: _____ E-mail Address: _____

*Father's name: _____

*Mother's name (Use Maiden Name): _____

*** PLEASE NOTE: Information on social security numbers and parent's names are requested for death certificate and obituary purposes. You may leave those spaces blank prior to the Estate Strategy Session if you wish.**

CHILDREN:

Please list all children you have. In the section listed as "By", please write F if the child is only by the father, M if the child is only by the mother, or B if the child is from both of the clients. If no children, please write "none."

Name	Date of Birth	City/State of Residence	By
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Are any of the above children deceased? If so please list below along with any descendants that child may have. _____

Please list the name of the person or source (internet, advertisement, etc.) who referred us to you:

Financial Advisor:

Name: _____

Phone Number: _____

Address: _____

E-mail: _____

Accountant/Tax Advisor:

Name: _____

Phone Number: _____

Address: _____

E-mail: _____

CONFIDENTIAL FINANCIAL INFORMATION

In order to provide the best possible planning advice and see if our firm matches well with your needs, it is essential that our office receives a general but complete financial profile. The information requested in this packet is essential, but the figures only have to be accurate within \$1,000. There is no need to list individual accounts, account numbers, or even the institutions, but we should know some rough numbers for the initial meeting. Please note that all information is kept in the strictest of confidence whether or not we mutually agree to go further with the process.

CASH & SAVINGS

(Includes Checking Accounts, Savings Accounts, CDs, Treasury Bills, and Money Market Accounts)

<u>Account(s)</u>	<u>Approximate Total Amount</u>
Checking Accounts	_____
Certificates of Deposit	_____
Treasury Bills	_____
Money Market Accounts	_____
Savings Accounts	_____
TOTAL VALUE	_____

MARKET SECURITIES

*(Includes mutual funds, brokerage accounts, general and limited partnership shares, annuities, individual stock certificates, and closely held business interests, but **excludes retirement accounts** which are listed later)*

<u>Item</u>	<u>Approximate Total Amount</u>
Stocks	_____
Bonds	_____
Mutual Funds	_____
Annuities	_____
Gold and Silver	_____
Personal Property Investments*	_____
<i>(Includes antiques, paintings, jewelry, coins, stamps, etc.)</i>	
TOTAL VALUE	_____

REAL ESTATE

(Includes all land, partial interests in land, timeshares, and other property with a deed, even if it is land owned by a small business corporation or limited liability company in which you are an owner.)

<u>Type</u>	<u>Approximate Total Amount</u>
Primary Home	_____
Other Real Estate	_____
Timeshares	_____
TOTAL VALUE	_____

RETIREMENT PLANS

(Includes IRAs, Keoughs, SEP IRAS, 401ks, Profit Sharing Plans, TSAs, ESOPs, Deferred Compensation, etc.).

<u>Type</u>	<u>Approximate Total Amount</u>
IRA(s)	_____
Simple Keough	_____
SEP	_____
401(k)	_____
Profit Sharing Plan	_____
Deferred Compensation	_____
TSAs, ESOPs, PASOPs	_____
TOTAL VALUE	_____

LIFE INSURANCE

<u>Type</u>	<u>Approximate Cash Value</u>	<u>Approximate Death Benefit</u>
Term	_____	_____
Whole Life	_____	_____
Annuities	_____	_____

NO STATEMENTS ARE REQUIRED AT THIS TIME. *If we mutually agree that our legal services are compatible with your goals, then at the Estate Strategy Session we will discuss reviewing statements later in the estate planning process.*

MISCELLANEOUS INFORMATION

The following are “first impression” questions that can help us discuss the different options available in putting together a good estate plan that suits your particular needs. It may be the case that after reviewing the different options your decisions may change. That is perfectly acceptable and happens all of the time.

How much protection do you wish to provide for your assets and for your beneficiaries’ inheritance? (Please circle the answer that best fits your current goals).

- a. I wish to protect my estate and assets so they go to my chosen beneficiaries, but I am comfortable with my estate going through the probate court system first.
- b. I wish to protect my estate and assets so they go to my chosen beneficiaries, and I want to make sure that my estate avoids the probate court system as much as possible.
- c. I wish to protect my estate and assets so they go to my chosen beneficiaries, without probate court, and so they are protected for my beneficiaries as much as possible from taxes and from any lawsuits, divorcing spouses, or catastrophic illnesses/Medicaid spend down.
- d. I wish to protect my estate and assets so they go to **my chosen beneficiaries**, without probate court; so they are protected for my beneficiaries as much as possible from taxes and from any lawsuits, divorcing spouses, or catastrophic illnesses; **and** to protect assets **for me/us** from lawsuits or catastrophic illnesses/Medicaid spend down.

I will pay more for excellent protection that meets my goals while closing as many loopholes as possible as opposed to paying less for pretty good protection that meets most of my goals but may leave a few loopholes open. (Please circle the answer that best fits your current goals).

- a. True
- b. False
- c. Very False. I always take the least expensive path.

On a scale of 1 to 10, with 10 being extremely important and 1 being not important at all, please rate the following objectives for you:

- _____ Gaining control of my estate planning wishes.
- _____ Peace of mind that everything is in place as I want it.
- _____ Knowing that my heirs paying as little as possible in taxes.
- _____ Knowing that my heirs paying as little as possible in professional fees.
- _____ Knowing that my heirs will have as few hassles as possible.
- _____ Knowing that my estate plan will be well executed and supervised by a court, even if it is more expensive for my estate.
- _____ Knowing that my heirs have professionals to help them when the time comes.
- _____ Me having ongoing professional support to make sure my plan changes as my wishes change or as the law changes.

You are going to meet with an estate planning attorney. What are the big things keeping you awake at night?

What would be the perfect outcome after putting together your plan?

Please make sure to complete this form and return it to The Law Offices of Jeffrey G. Marsocci, PLLC at least two days prior to your meeting.

By Fax: (919) 844-7995

By Scan and Email: jeff@livingtrustlawfirm.com

By Mail or Drop Off: The Law Offices of Jeffrey G. Marsocci, PLLC
8406 Six Forks Road, Suite 102
Raleigh, North Carolina 27615

If you have any questions, please contact our staff at 919-844-7993